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CURRENT SERIAL RECORDS

Cotton's Place in World Fiber Market

Portugal's Growing Poultry Industry

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

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This week's cover:

Cotton picking in Sudan. Despite small increases in production in some countries such as Sudan, the world cotton crop is down—for the second year in a row. See story beginning this page.
(Photo: United Nations.)

Clifford M. Hardin, Secretary of Agriculture

Clarence D. Palmby, Assistant Secretary for International Affairs and Commodity Programs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

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U.S. stocks at 20-year low

Tight World Supplies

Imperil Cotton's Place

By H. REITER WEBB, JR.

Cotton Division
Foreign Agricultural Service

Tight supplies and prices well above the level of a year ago are the outstanding features of the world cotton situation in the latter half of the 1970-71 marketing year (which ends July 31). World stocks as the year began were the lowest since 1962-63, and world production during the year has not risen to meet the expected consumption levels.

It seems clear that the world cotton economy is at another crossroads. If supplies are not brought into better balance with demand, the result is likely to be price levels that will permit manmade fibers to take over many markets formerly held by cotton. This happened in 1967; it could happen again.

Stocks. At 21.6 million bales, world stocks at the beginning of the season represented less than 5 months of consumption at the rate expected during the period. U.S. stocks of 5.8 million bales were at the lowest point in almost 20 years—down substantially from the levels of the mid-1960's and the peak of 16.9 million bales in 1966. Stocks in Foreign Free World (FFW) importing countries were also unusually low, while those in FFW exporting countries and Communist countries were little changed from the previous year.

World stocks normally represent about 6 months' mill requirements. When they move outside the 5-to-7-month range, fairly sharp reactions usually take place. When their movement is downward, prices are likely to move upward rather quickly in response, and FFW producing countries can be expected to increase acreage in the following crop year.

Production. World cotton production during the marketing year is now estimated at 51.5 million bales, down for the second year in a row. The U.S. crop of 10.3 million bales is less than the optimistic predictions made at the beginning of the year, because of poor growing and harvesting conditions for the fourth year out of the past 5.

At 23.4 million bales, FFW production is off 2.5 million bales from the previous year. Tight credit and disappointment with cotton prices in 1969-70 resulted in reduced acreage this year in many important producing countries (Guatemala, Mexico, Nicaragua, Argentina, Brazil, Colombia, Peru, Greece, Spain, Iran, Syria, Turkey), more than offsetting small increases in El Salvador, Sudan, and Pakistan. Unfavorable weather and insect damage cut yields from the level of the year before in many countries, especially Brazil and the UAR.

At 17.8 million bales, cotton production in Communist

and Rising Prices

World Fiber Markets

countries during 1970-71 is up 2 million bales, largely because of a record Soviet crop estimated at 10.8 million bales compared with 8.9 million in 1969-70.

However, the unusually large Soviet crop, which resulted from almost perfect weather during the growing and harvesting periods, has not brought about a commensurate increase in exports from the USSR. Indications are that rebuilding of stocks and increased domestic consumption will account for most of the increase. It should be noted that in the Soviet Union, ginning operations are spread over a longer time than in most other producing countries, so some increase in exports may take place late in 1970-71.

Consumption. At 53.6 million bales, world cotton consumption is expected to be 400,000 bales over last year's. Practically all the net increase is in FFW exporting countries, Asia, and Communist countries, as it has been for several years. Consumption in Western Europe is slightly lower than last year. In Japan, it has been reduced by the continuing down-trend in cotton textile exports. In a number of other Far Eastern markets, on the other hand—notably South Korea, Hong Kong, and Taiwan—the textile industries are continuing to expand.

Demand and prices for cotton yarn and textiles in most cotton importing countries have been weak over the past 2 years. Thus, mills in some countries find themselves in the anomalous situation of rising prices for their raw material and a declining market for their products. Manmade fibers continue to absorb most of the world's expansion in textile consumption. As a result, cotton's share of the world fiber market has fallen sharply over the past decade.

Trade. World cotton trade in 1970-71 is expected to total about 17.4 million bales, up slightly from the level of 17.2 million last year but still below the peak levels of around 18 million reached earlier in the 1960's. Exports from FFW producing countries will be almost a million bales below those of the previous year (11.5 million in 1970-71 compared with 12.4 million last year) because of sharply reduced supplies. At 2.4 million bales, exports from Communist countries are likely to be up 400,000 from last year, while net exports from the Free World to Communist countries will drop 1 million bales to a level of 1.2 million in 1970-71.

Through March, U.S. exports in the marketing year 1970-71 reached 2.4 million running bales, substantially over the level of 1.7 million for the same period last year. For the full year, they are expected to be around 3.5 million bales, up

(Continued on page 16)



By DALE L. ANDERSON
Transportation and Facilities
Research Division
Agricultural Research Service

Recognition is increasing among exporters, agricultural producers, and processors that the United States faces three formidable problems in exporting farm products. These are trade barriers and other restrictions to entry into overseas markets, diminishing price advantages because of a high U.S. rate of inflation, and a less than completely efficient packaging-transport system that adds to shipping costs and sometimes delivers U.S. farm products to foreign purchasers in poor condition.

The Department of Agriculture through its various transportation offices—in cooperation with private industry—is zeroing in on the transport-packaging system because this is the only one of the three problem areas hindering U.S. exporters that can be improved by unilateral action.

The magnitude of the problem and the necessity for making improvements in packaging and shipping methods can easily be seen by citing a few statistics. Domestically Americans spend \$96 billion for food for which the farmer receives only \$32 billion. It costs another \$32 billion to physically handle, package, transport, and deliver that food to the consumer; other marketing services cost the consumer an additional \$32 billion.

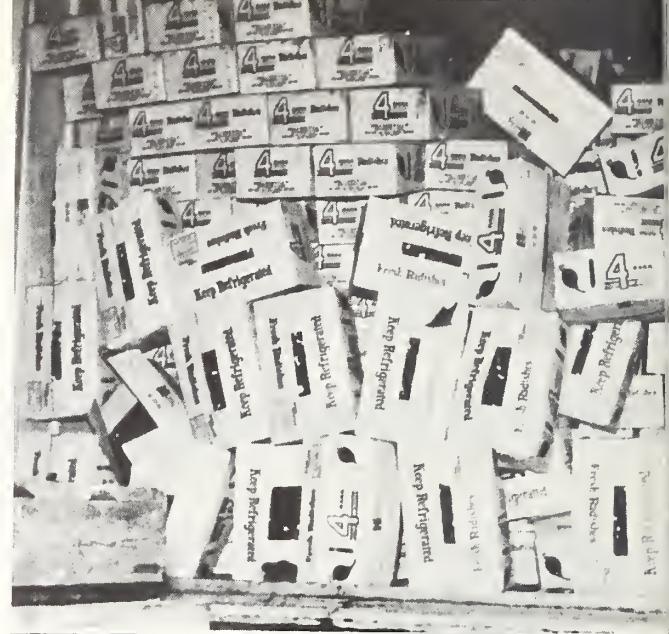
In foreign marketing, the transport and physical-handling share goes up dramatically. For example, Washington State apples—worth 6.74 cents per pound at the packinghouse in Washington—cost approximately 8.93 cents per pound additional to pack and ship to Stockholm, Sweden.

Because Swedish consumers have several other sources of apples of good quality from Europe and the Southern Hemisphere, the U.S. product must be of exceptional quality and arrive in excellent condition to compete in this European market.

And this is one of the several areas in which USDA packaging specialists have had notable success. Working in cooperation with packaging manufacturers and apple exporters, they have developed containers that greatly reduce product damage.

In addition, USDA-developed pallet-

Right, the result of improper loading and load bracing in a shipment of boxes of Florida-grown radishes to Rotterdam. Even in refrigerated container, boxes were disarranged and some were broken open by the stresses of an ocean voyage.



ized and pallet-bin shipping methods can lower distribution costs on apples by as much as 2.87 cents (30 percent) per pound.

Total apple exports in 1970 were 108.9 million pounds valued at \$10.7 million. However, U.S. exports to Europe have been declining. Delivering better apples at lower cost may be the only way the United States can retain a share of this market.

The increasing popularity in more affluent foreign countries for food products unique to the United States—or for high-quality U.S. farm products often selected in preference to less expensive foreign items—enables U.S. commodities to compete in export markets despite relatively high transport costs. One example is Iceberg lettuce from California.

Iceberg lettuce—that sells for approximately 5 cents per pound f.o.b. Salinas—can bring as much as 60 cents per pound in West Germany.

However, the lettuce may require considerable retrimming with subsequent losses due to the approximate 18–24 days of transit and handling time now needed to deliver this product to West Germany. European consumers commonly buy Bibb or leaf lettuce; however, the use of Iceberg lettuce in restaurants and changing dietary habits have exposed consumers to some of the individual qualities of Iceberg lettuce. Europe represents a substantial potential market if marketing costs and losses can be reduced.

In 1970, U.S. lettuce exports to West Germany were nearly 175,000 pounds,

Transportation

Research Cut

Delivery Time

valued at \$33,165. Total exports of U.S. lettuce to Europe were nearly 7 million pounds with a value of slightly more than \$1 million, a relatively small part of total U.S. production of over 4 billion pounds.

At the present time additional research is being conducted to improve refrigeration, packaging, and distribution techniques to deliver better Iceberg lettuce to distant markets at lower costs or in much less time. Much of this research has been conducted with the Defense Supply Agency, a unit of the U.S. Army, but the results can be applied equally well to commercial lettuce shipments.

USDA technicians are located in small field stations in numerous primary U.S. producing areas. Additionally, there are researchers overseas. These men study packaging and shipping

practices in their respective areas and develop improved packages and transport techniques.

Close lines of communication between the USDA network of field locations provides guidance for research efforts of U.S. laboratories where specialists conduct extensive package and shipping container development tests.

This research is put to the test when it is applied to highly monitored pilot shipments of U.S. products made to overseas markets.

Small lots of items not formerly found in foreign markets are test-shipped to explore the possibilities of getting them to overseas markets in

good condition. These tests can play a significant supporting role to foreign market development projects.

For instance, winter radishes and single-strength Florida citrus juice were first sent to Europe in tests which led to the establishment of a large market for these items. One grower, alone, shipped 106 van container loads of radishes to Europe this past season.

Research on packaging and transportation methods for overseas shipments involves a wide variety of problems and products. A number of questions must be answered in connection with the shipment of each commodity.

For example, will Florida citrus fruit—Georgia poultry—Pacific coast deciduous fruit—or any other product—stand up to the rigors of rail or truck shipment to a deepwater port, break-bulk loading into and out of refrigerated holds, and the relatively long sea trip that follows? Or should the shipment be made in van containers that provide constant environmental protection and require less handling of the individual product?

What are the comparative costs of the two systems? Can a lower cost method be used that will deliver the product in good condition? Can air transport be used without pricing the product out of the market?

Will domestic shipping containers serve for export purposes or must new

ones be designed? Is extra protection needed inside the package or will normal packing procedures suffice? At what temperature should perishable farm products be kept during shipment? How should containers be braced?

The questions run on and on and technicians find the answer to each by testing and retesting packages, van structure, bracing methods, product packing methods, refrigeration systems, and loading and transport techniques.

The range of products that has been tested is wide and includes grapes, strawberries, nectarines, peaches, artichokes, plums, citrus fruits and juices, lettuce, celery, peppers, sweet corn, celery cabbage, radishes, and other winter vegetables. Other shipment tests were conducted on dried fruit and raisins, beef, poultry, animal byproducts, live animals, dried peas, lentils and beans, and grain, to mention a few.

U.S. farmers have been most successful exporting the less labor-intensive crops—those whose production can be highly mechanized—products of exceptional quality compared with identical products competing in foreign markets, and products not produced overseas.

As American agricultural expertise is exported through aid or self-help programs, production of fewer and fewer crops will remain exclusive U.S. monopolies. U.S. mechanized production techniques and high-quality plant varieties and breeding stock are also being exported. These important exports put foreign producers on a more nearly equal footing with U.S. farmers.

Despite these factors which result in greater competition for U.S. agricultural products, fancy U.S. foods can often command a sufficiently high price in select markets to make it profitable to supply the demand if farm items can be delivered in good condition and at a reasonable cost. This has not always happened because of failures in packaging and product protection.

USDA research on improved bulk transport equipment, cost analysis of new technology including containerization and other specialty means of transport, improved railcar utilization, faster or cheaper loading and unloading, and similar programs, however, can be a significant factor in solving export problems such as these.

One USDA unit engaged in packaging, transport and refrigeration research

nd Packaging

U.S. Export

nd Costs



Left, results of good palletizing and shipping on a load of boxed California raisins. This test unit came off ship in Scotland with every box whole. Palletized units can be handled by forklift, and time is not consumed by hand sorting or moving crates.

is the Transport and Facilities Research Division of the Agricultural Research Service. This Division conducts its studies in close cooperation with other Divisions of ARS—especially with the Market Quality Research Division. Frequently, export test shipments are conducted jointly by the two Divisions. ARS technicians also work closely with Foreign Agricultural Service market development experts, agricultural attachés, State experiment stations, and State departments of agriculture.

The USDA research effort requires continued contact with trade organizations, shippers, and receivers. To make the best use of research resources, seminars or training sessions in good handling, packaging, and transport practices are held with shippers or carriers. Assistance also has been provided to agricultural attachés who conduct such seminars for overseas receivers.

The expertise gained from research in packaging and in the design of shipping containers, pallets, and transport equipment often involves Department personnel in study committees evolving international standardizations. Often such participation enables them to keep abreast of developments which might prove harmful to American interests.

For example, the participation of an ARS staff engineer on a working party of the Inland Transport Committee of the Economic Commission for Europe—whose purpose was to establish European standards for vehicles used to transport perishable foods—enabled ARS to alert U.S. transport firms and other interested parties to the potential impact of these pending regulations.

Similarly, the participation of a U.S. engineer in the EC committee also

helped to keep regulations from being written into the standards that might have been detrimental to U.S. firms had they been adopted. ARS personnel have also participated in committees dealing with shipping containers and pallet standardization and vehicle size and configuration.

One important aspect of the overseas location in Rotterdam is the feedback of information on foreign marketing technology. Requirements for container size or packaging materials can easily be conveyed to U.S. producers.

New or improved refrigeration, packaging, and transport technology observed in European countries can be fed back to U.S. research stations to insure that U.S. producers and transport firms do not fall behind in the technological race.

To be effective such feedback requires highly skilled and trained transport and packaging technologists in foreign locations who have the means and contacts to obtain and convey this knowledge to U.S. industry people.

U.S. agricultural attachés also report on developments in their countries of assignment and these reports sometimes provide the first inkling of new technical development overseas.

Continued dominance of the United States as an agricultural exporter depends to a large degree on the mutual cooperation between Government and industry in the search for packaging and transport techniques which can bring about new and efficient methods of moving U.S. commodities to foreign buyers. Many new developments have come from this cooperation in the past and there will be many resulting from it in the future.

New container crane speeds loading of pineapples at Hawaiian pier.



Ireland's Cattle Production and

Ireland's cattle industry, which accounts for the largest part of the country's agricultural output and exports, continued to expand in 1970. Both production and exports were up, and the outlook is equally favorable for 1971.

Cattle numbers on January 1, 1971 were estimated at 5.4 million head or about 3.4 percent above the corresponding 1970 estimate.

The increase in cattle was encouraged by good market conditions and the Beef Cattle Incentive Scheme. This program aims to halt the swing towards dairying by granting a subsidy to farmers who do not produce commercial milk. Although most of the \$11 million paid under this program went to farmers in western counties, an increasing amount was paid to producers in the southern dairying counties.

Total beef production increased by 9 percent to a record 212,000 long tons, carcass weight, in 1970. Slaughtering for the home market, mainly heifers, amounted to about 240,000 head, while slaughterings in registered meat export premises reached 698,000 head.

The Irish have continued to upgrade their stock. During October 1970, 128 Charolais and seven Limousin cattle were placed in quarantine. Currently 24 Friesian cattle from Germany and 134 Fleckvieh and Simmental cattle from Austria are being brought in.

The increase in cattle numbers in recent years is reflected in the higher supply for export. However, the nature of these exports is changing—the number of live shipments is decreasing while beef exports are rising rapidly.

The most important single factor accounting for this trend is the subsidy paid on carcass beef exports to the United Kingdom by both the Irish and British Governments. Poor sea transport facilities have also contributed to the decline in live shipments.

The United Kingdom continued to be the major market for Irish beef and live cattle. Britain took all but 6,000 long tons of fresh and chilled beef exports,

Industry Ups Beef Exports

totaling a record 107,000 long tons, up from 86,000 long tons in 1969.

While the bulk of these shipments was in carcass form, a significant development was the increasing trend towards breaking down carcasses and marketing them in vacuum-packed cuts, instead of as traditional bone-in quarters and sides.

Ireland was unable to fulfill the requirements of the Anglo-Irish Free Trade Area Agreement to supply feeder cattle to the United Kingdom. Total shipments of 500,000 head of feeder cattle to the United Kingdom were down 6 percent from those of 1969. These exports fell far short of the 638,000 target set forth under terms of

the Anglo-Irish Agreement.

Fattened cattle have almost disappeared as an export item because the Irish find it more profitable to slaughter domestically.

Of the other Irish markets the United States was the most important—taking 29,300 tons of frozen beef. The European Community was once again virtually closed to Irish beef last year.

The Irish Department of Agriculture has for many years controlled the manner in which meat is prepared and exported. Any firm that wishes to go into the meat export trade must provide premises and equipment which meet the Department's standards. All animals for export are examined ante-mortem and post-mortem, and all the stages in the preparation of meat for export are supervised. The Department also supervises the administration of public health regulations on animal slaughter and inspection for the domestic market.

The outlook for beef export and production during 1971 appears to be favorable. During the first quarter of 1971

total exports were up 18.4 percent over the same period in 1970. Demand and prices in the United Kingdom, Ireland's major market, are expected to remain strong for the remainder of the year.

In the longer run the Irish Government predicts a real growth in farm output of between 30 and 40 percent by 1980 if EC entry is secured by 1973, and most of this expansion is expected to come from the livestock industry. If Ireland were in the EC, cattle prices could rise at least 50 percent.

Soil, climate, and a long tradition of livestock husbandry give Ireland a great potential for expanding livestock production. It possesses enormous natural resources in the form of grassland with potential yields per acre that are quite exceptional. The potential is not yet realized but may be when the economic returns are a better match for the required inputs of labor and materials.

—Based on dispatch from
EUGENE T. RANSOM
U.S. Agricultural Attaché, Dublin

Australia: New Supplier of Chilled Beef to Britain

Australian beef exporters are eyeing a potential new market for chilled beef in the United Kingdom. Small quantities of beef shipped in sealed refrigerated containers have made the 12,800-mile trip in good condition and have been enthusiastically received in Britain.

Argentina has been the major supplier of chilled meat to the United Kingdom, but an unexpected discovery made during last July's U.K. dock strike indicates that it may now be possible to ship chilled beef over much longer distances in much better condition than had been previously thought.

During the strike a shipment of 800 tons of chilled beef from Argentina was held on board ship for 50 days, but the meat came off in perfect condition. The beef was able to withstand the delay because it had been shipped as boneless cuts in containers.

Formerly most of the chilled beef imported into the United Kingdom was in the form of quarter carcasses. However, as a result of measures designed to prevent hoof-and-mouth disease, chilled beef is now being shipped as boneless cuts wrapped in cellophane.

The lesson seems to be that chilled

beef packed as boneless cuts can be kept for long periods if it is shipped in containers where temperature changes and handling are minimal.

Because of the need to use containerized shipping, it may take some time for this trade to grow. Present carriers, particularly from Argentina, will find it expensive to change to containers. New Zealand, the major supplier of mutton and lamb to the United Kingdom, has already decided to use its first containers to supply the North American market.

This leaves Australia, which already ships the bulk of its frozen meat in containers, as the major beneficiary of the new development.

This could mean an important change in the trade of both Australia and the United Kingdom. Argentina, which has been the major supplier of chilled beef to the United Kingdom, is currently experiencing a beef shortage. The United Kingdom is looking elsewhere for beef, and Oceania is a good source because of its disease-free status.

U.K. butcher shop—destination of Irish and Australian beef.



By JOSEPH R. WILLIAMS
Tobacco Division
Foreign Agricultural Service

South American tobacco-producing countries have strengthened their positions in the world market as the result of a decade of growth. Tobacco acreages have been increased and new factories have been erected to meet some of the demand for tobacco products at home and overseas.

Although production of tobacco in the United States dropped from 2.2 billion pounds (1960-64 average) to 1.9 billion pounds in 1970, the production trend in South America was just the reverse.

During the same period total South American tobacco production increased by 32 percent, from 594.4 million pounds to 785.9 million. Harvested acreage of leaf tobacco increased from 698,000 acres to an estimated 783,000 acres. Yields vary from country to country, ranging in 1970 from 674 pounds per acre for Uruguay to 1,872 pounds for Chile.

Among the big four South American tobacco producers—Brazil, Argentina, Paraguay, and Colombia—yields were down in 1970 compared with the 1960-64 average for all except Brazil, which had a 28-percent increase. Acreages were up in all four of the countries in 1970 and production rose to record levels for all.

Brazil currently produces about 56 percent of South America's total tobacco output. It nearly doubled its production of U.S. Virginia-type flue-cured tobacco from 1968 to 1969 and again from 1969 to 1970. The total 1970 crop is 437.6 million pounds. The 1971 crop is expected to be 15 percent larger—some 503 million pounds.

Brazil's burley production has also been growing but at a slower rate than that of Virginia-type tobacco. Brazil's 1968 crop of burley was 7,000 tons. In the following year the crop was 10,000 tons, 45 percent greater. This was followed by a crop in 1970 that, at 11,000 tons, was 10 percent higher than the previous year's. The 1971 crop is expected to reach 13,000 tons which, if realized, would be another 18-percent production increase.

Argentina, second largest producing country in South America, has boosted its output of flue-cured tobacco from



35.3 million pounds in 1965 to 51 million in 1970. During the same period, Argentina's burley production was expanded from 5.5 million pounds to 16.5 million pounds. Its total 1970 tobacco production was 139.8 million pounds from 147,000 acres.

Colombia and Paraguay hold third and fourth positions. Colombia has increased its tobacco production by 2 million pounds per year since 1958 to a high of 97 million pounds in 1970. Paraguay has increased tobacco production, primarily of dark air-cured and bright sun-cured tobacco, an average of 4 million pounds per year since 1958 to a total of 57 million pounds in 1970.

Cigarette production in South America has also mounted at a rate of 3 percent a year for the past 10 years, rising from 120.9 billion pieces (1960-64 average) to an estimated 154 billion in 1970.

To help meet the demand for factory-made cigarettes, new plants have been established in several countries in South America—particularly in Brazil, Peru, Argentina, and Venezuela.

South American cigarette producers are following the world trend by shifting from dark to light cigarettes. As a result, planters are switching from dark tobaccos to flue-cured and burley tobaccos to meet consumer demand.

An indication of this changeover is the slowdown in the increase of dark air-cured tobacco. While output of this type of tobacco went up from 386.6 million pounds (the 1960-64 average) to 407.8 million pounds in 1970, this was an increase of only 5.2 percent. In the same period, production of flue-cured tobacco increased from 155.1

LATIN AMERICA GAINS ON WORLD

A freshly prepared field in Honduras (above)—ready to receive shade-grown cigar-wrapper tobacco seedlings (below). Photos: Inter-American Bank.





S TOBACCO LD MARKETS

million pounds to 266.4 million pounds, a 72-percent rise. There was also a jump in burley production—from 13.9 million pounds on 11,000 acres to 59.5 million pounds on 48,000 acres, a 328 percent increase in output.

In most South American countries private companies have the responsibility for supervising production, for providing technical assistance, and for financing farmers during the crop year.

Several South American governments have adopted policies to reduce tobacco imports and to increase tobacco exports. In an effort to reduce drain on foreign exchange, the governments have either forbidden tobacco and tobacco-product imports or have levied such high duties that they in effect form a virtual embargo on foreign tobacco. Among countries so restricting imports are Argentina, Brazil, and Peru.

There are no marketing quotas so that farmers are free to produce all the tobacco they can contract to sell. Although producer prices on flue-cured tobacco average only 21 cents per pound and 20 cents per pound on burley, it appears that most farmers are satisfied with current prices and anxious to expand production.

South American tobacco exporters

had notable success during the 1960's in the international tobacco trade. European customers take the largest part of South American exports although the United States is also a major customer for raw tobacco.

South American exports expanded from 161.6 million pounds (1960-64 average) to a record 201.2 million pounds in 1969. Fifty percent of the 40-million-pound increase came from Brazil and Argentina.

In 1968, Brazil, Argentina, Paraguay, and Colombia collectively had tobacco exports of 167.6 million pounds with a value of \$55.3 million. The following year these four increased their exports to 209.4 million pounds (up 24 percent) with a value of \$76.3 million (up 38 percent).

Brazil's exports in 1969 were \$57.1 million and Colombia's were \$7.3 million. Argentina was next with \$6.3 million and Paraguay with \$5.6 million.

Although Brazil and Argentina have traditionally been large exporters of dark tobaccos, a high percentage of the increased exports of the 1960's were made up of flue-cured and burley tobaccos sold to Spain, West Germany, and other countries in the European Community.

South American exports to the United States in 1970 consisted of 3.7 million pounds of cigarette leaf, 400,000 pounds of cigar-wrapper, 900,000 pounds of cigar-filler, and 10.7 million pounds of scrap.

One South American country that has had particular success as an exporter during the last decade is Paraguay which increased its exports by 15 million pounds. In 1960, total Paraguayan exports—mostly light sun-cured and dark air-cured tobaccos—were 20.5 million pounds (1960-64 average). In 1969, they were 35 million pounds.

In 1970, Paraguayan exports to the United States consisted of 2.6 million pounds of scrap.

Colombia's exports in 1969 totaled 27.5 million pounds. In 1970, it exported 83,000 pounds of cigar-filler, and 4.4 million pounds of scrap to the United States.

U.S. exports to South America showed a mixed pattern in the 1960's. Unmanufactured tobacco exports to South America increased only slightly in value and quantity, while exports of U.S. cigarettes increased by 119 per-

cent. U.S. leaf tobacco exports in 1970 totaled 4 million pounds valued at \$4.7 million, compared with 3.7 million pounds valued at \$3.9 million in 1960.

Total tobacco exports to South America have shown a steady uptrend in the past 3 years, rising from \$3.7 million in 1968 to \$4.6 million in 1970.

In 1960, Venezuela, Uruguay, and Chile took 89 percent of total U.S. exports, while in 1970 Chile, Uruguay, and Surinam took 85 percent. Chile alone took 50 percent of the total. Venezuela, which took only 55,000 pounds of U.S. tobacco in 1970, was replaced by Surinam as a major market.

U.S. cigarette exports to South America in 1970 were 3.5 billion pieces compared with 1.6 billion in 1960. During the same period, cigar exports rose from 902,000 pieces to 929,000; smoking tobacco fell from 60,000 pounds to 54,000 pounds; and exports of bulk smoking tobacco fell from 2.4 million pounds to 2.2 million.

Major importers of U.S. cigarettes in 1970 were Colombia, Uruguay, Paraguay, and Ecuador, with Colombia taking 40.2 percent of the total. Argentina was the major market for cigars, while Bolivia, Ecuador, and Peru took 90 percent of the bulk smoking tobacco.

South America is expected to import 4-5 million pounds of U.S. leaf tobacco valued at \$4.7-\$6 million annually during the 1970's. In 1971, total U.S. tobacco exports to South America are likely to reach \$28 million with cigarettes accounting for \$21 million, leaf tobacco for \$5 million, and smoking tobacco in bulk for \$2 million.

U.S. exports to South America would be increased substantially if some of the major consuming countries would lower their import duties. Likewise, exports would be adversely affected by increased duties or nontariff barriers such as mixing regulations.

In the decade of the 1970's, South America's four major producing countries are expected to expand their production and export programs. There is a strong likelihood South America will become the third-largest exporting region in the world after North America and Asia. Expansion in exports will probably be in the flue-cured and burley types of tobacco with major efforts being made to obtain a larger share of the market in the European Community and in other European countries.



Poultry and Feed

The U.S. exhibit at the VIII National Agricultural Fair at Santarém, Portugal, to be held June 6-20, will salute the growing Portuguese poultry and feed industries. It will stress the mutual benefits to be derived from utilizing high energy feed comprised of U.S.-produced ingredients to nourish U.S. poultry breeding stock.

Poultry rations currently account for more than one-third of the mixed feeds produced in Portugal, and seven U.S. firms are licensed to sell broiler breeding stock in the country.

The U.S. Feed Grains Council, American Soybean Association, and National Renderers Association will cooperate in illustrating the importance of high energy and quality protein ingredients in broiler feeds.

Portugal's Poultry Consumption

Climbs Sharply as Industry

Modernizes and Output Grows

By JAMES LOPES
*Foreign Regional Analysis Division
Economic Research Service*

Portugal's consumption of poultry meat is rising rapidly, owing partly to modernization of the poultry industry. If consumption continues to grow, the Portuguese market for U.S. feedgrains and high-protein soybeans or soybean meal could expand considerably in the next few years.

Greater purchasing power—resulting from rising gross national product and per capita income—combined with migration from rural areas to large cities has significantly changed consumption patterns. Portuguese now consume less carbohydrates and more protein in the form of beef, poultry, swine, and lamb. At the same time more high-energy

feedgrains and soybean meal are being used, as is indicated by developments in Portugal's mixed feed industry. Production of mixed feeds rose from 132,000 tons in 1962 to nearly 900,000 tons in 1970 and is expected to exceed 1 million tons in 1971.

Per capita consumption of red meat went from just under 35 pounds in 1960 to 66 pounds in 1970, while broiler consumption more than quadrupled, going from about 2.9 pounds to 13.2 pounds. However, this new level is still small by West European standards.

Lower poultry prices have encouraged this rise in poultry meat consumption. The retail price of broiler meat in Lisbon is presently 43 cents per pound, while codfish, the favorite dish, costs over 60 cents per pound. Beef is at 80 cents per pound, pork at \$1.07, and lamb at 72 cents.

Beef prices are especially high in relation to broiler prices because beef production is considerably short of requirements and the Government subsidizes beef to encourage domestic production. The Government also pays a subsidy to veal producers.

Production and marketing of broilers, on the other hand, are not subsidized. Since poultry is by far the cheapest meat available, it is surprising that per capita consumption is not increasing even faster. This may be partly due to a lack of refrigeration outside the cities and in many urban households.

With the low price of broiler meat and the high price of feedgrains (yellow corn sells to the feed manufacturer at a controlled price of \$88 per metric ton) margins are tight for the broiler producer, causing instability and fluctuations in the supply and price of live

Santarém Fair

At the exhibit chicks will be hatching every hour of the day in infrared brooders under the watchful eyes of Portuguese broiler producers, feed manufacturers, Government officials, and consumers.

The visitors will also see automatic feeders dispensing balanced rations produced from U.S. corn, sorghum, soybean meal, and animal fats to broilers.

Another feature will be a daily demonstration of poultry cooking methods—from the initial cutting up of the bird to cooking in fryers and electric barbecue machines.

Aviario do Freixial, the principal integrated broiler operation in Portugal, is supplying the hatching eggs, baby chicks, growing birds, and dressed broilers for the exhibit.



In Portuguese markets such as the one at far left, poultry is still being dressed according to customers' specifications. But the traditional method is being rapidly replaced by modern techniques. Left, Portugal's principal integrated broiler operation, the Aviario do Freixial, produces 10,000 to 12,000 ready-to-cook broilers a day. Freixial is supplying the poultry for the U.S. exhibit at the Santarém Fair.

broilers. The majority of broiler producers run part-time operations and produce only when there is a prospect of catching a favorable market.

However, the industry is undergoing a marked transition from the small-farmer operation of the 1950's. A number of modern, specialized poultry farms have been established for egg and broiler production. As of December 1969, farms specializing in broilers totaled 350, and another 200 were mixed operations. The 1969 production of broilers on specialized farms was estimated at more than 760 tons per week.

Specialized farms for egg production in December 1969 totaled about 900, with a total of 1.5 million laying hens.

Poultry marketing also has undergone drastic changes. The sale of slaughtered, ready-to-cook broilers in specialized shops is replacing the purchase of live birds for home consumption in the cities. Even in rural areas, consumers are beginning to buy slaughtered poultry directly from processors.

Because of this modernization, poultry meat and egg production have increased rapidly. During 1970, more than 50 million head of poultry were slaughtered, producing 53,000 tons of meat, or nearly one-third above the 1964 level. Poultry meat production now accounts for about one-fifth of the country's total meat supply and is about

half as large as pork output.

Egg production increased nearly one-third in the same period, totaling 43,000 tons in 1970.

Nearly 15 percent of Portugal's poultry meat production comes from one privately owned broiler operation, which handles every phase of production from breeding stock to retail shop. Needless to say, this one operation has done much to stabilize a turbulent market.

In addition, U.S. breeding stock is used by 14 commercial poultry farms producing eggs for hatching—seven for broilers and seven for layers—which supply around 90 percent of the country's requirements of baby chicks.

Besides the modernization of the industry, the needs of the Portuguese housewife are a significant factor in the upswing in broiler production. With domestic help increasingly short in supply and expensive, the housewife, looking for more convenient and versatile foods, is turning to broilers, which are now available through supermarkets and other outlets in ready-to-cook form.

The greater demand for broilers has caused increased "market pull" for feedgrains. Total use of feedgrains for feed more than doubled during the 1960's, and now exceeds 1 million tons a year. Since Portugal is not self-sufficient in feed ingredients, it relies on imports for

substantial quantities of feedgrains, all the oilseeds crushed in the country, and various other ingredients.

In 1969, Portugal imported 438,000 tons of feedgrains—mainly corn. Corn imports were valued at \$28 million, oilseeds at \$33 million, and feed concentrates at \$9 million. Imports from the United States in 1969 consisted of about 100,000 tons of corn, valued at \$5.5 million; and 13,650 tons of soybeans and 16,000 tons of soybean meal, valued at nearly \$4 million.

Poultry and livestock producers, who have discovered the efficiency and cost advantage of soybean meal, are demanding mixed feeds containing more of this ingredient. Since the bulk of peanut meal is obtained from crushing peanuts imported from other than the African Provinces, the mixed feed industry does not feel compelled to continue using peanut meal.

It is predicted that within the next 10 years, "market pull" will have hauled in much greater quantities of corn, soybeans or soybean meal, and sorghum.

Portugal is also expected to continue importing increasing quantities of inedible tallow for the mixed feed industry. In the past 3 years, Portugal imported about 12,000 tons of inedible tallow a year, with the bulk coming from the United States.

Malaysia To Boost Cocoa Production, Increase Exports

Malaysia has for some time tried to strengthen its agricultural base by increasing the number of crops it can export in quantity. Rubber and oil palm have been two consistent export money earners. It now appears that farmers are being encouraged to add cocoa to this select group.

Cocoa production and exports have both shown an almost steady uptrend during the last 5 years. Production has grown from 1,100 metric tons in 1965-66 to 2,000 tons in 1969-70. Exports have risen from 788 metric tons in 1965 to 1,850 tons in 1969.

One of the factors encouraging Malaysia to try to increase its outturn of cocoa even more than in past years is a projection by the Food and Agriculture Organization that the demand for cocoa will hit the 1.8-million-ton mark by 1975. Another reason is the relative success of farmers in growing the Upper Amazon variety of cocoa.

Malaysian cocoa planters had started experimenting with a different variety—the Amelonado—about two decades ago. When this variety suffered severe damage from dieback disease, they turned to the Upper Amazon variety. This variety proved to be not only more resistant to the dieback, but higher yielding in comparison to the Amelonado type of cocoa.

As a result of these findings, the Malaysian Government has decided to interplant Upper Amazon cocoa trees with coconut trees on 20,000 acres of smallholdings during the second coconut improvement plan that runs from 1971 through 1975. This area is part of an extensive coconut belt stretching for a few hundred miles on the west coast of mainland Malaysia.

There are also some 5 million acres being used for established tree crop areas of rubber and palm oil into which cocoa interplantings might be extended.

Malaysia has a total cultivated area of approximately 7.2 million acres, nearly 80 percent of which is used for major tree crops. If only a small part of this area is used to interplant cocoa, Malaysia should have little trouble in increasing cocoa area from the current 11,700 acres.

Soluble Coffee Dispute Settled

The longstanding soluble coffee dispute between the United States and Brazil which, for a time, threatened the continued existence of the International Coffee Agreement, was resolved through negotiations terminating in Rio de Janeiro in late March.

The dispute resulted from a belief by some U.S. coffee processors that tax-

free coffee used by Brazilian processors gave them an advantage not enjoyed by U.S. processors.

Under terms of the agreement, the Brazilian Coffee Institute (IBC) will make available to U.S. soluble coffee processors, during successive 12-month periods, a supply of green coffee free of export taxes. The amount for the first year is 33,600 metric tons.

In the event that Brazilian exports of soluble coffee to the United States increase or decrease by more than 15 percent during the first 12-month period, compared with the level of the tax-free allocation, either Government may request renegotiation of the quantity fixed in the special allocation.

The agreement became effective April 15, 1971 and will remain in effect so long as the 1968 International Coffee Agreement is in force and implemented by the two Governments.

Canadian Wheat Sale

The Canadian Wheat Board announced in early April that it had made its first direct sale of wheat to North Korea. The sale covered 3.7 million bushels of Canadian No. 4 Manitoba for shipment from the west coast beginning in April through the end of August 1971.

Terms include 10 percent cash when loaded with balance in 6, 12, and 18 months with interest.

Swine Eligible for Export Credit

The U.S. Department of Agriculture has announced that breeding swine will be made eligible for export financing under the CCC Export Credit Sales Program beginning July 1, 1971. The usual credit period under this program is 12 months but credit may be extended up to a maximum of 36 months under special circumstances.

The decision to add breeding swine to this program follows a series of conferences with representatives of swine breed associations, farm organizations, and others on means of increasing hog exports. It was agreed that increased swine exports can be attained and that addition of credit to the present export promotional work should be effective.

The United States exported about 26,000 head of breeding swine valued at \$2.4 million in calendar 1970, chiefly to Mexico, Japan, Canada, and Venezuela.

There is a growing demand for breeding swine in Europe, Latin America, and Asia, but the growth in exports has been limited in the past by inadequate private financing.

The Export Marketing Service of USDA, which administers the CCC Export Credit Sales Program, is preparing

regulations and export grades and standards applicable to financing of breeding swine under this program. The Program Regulations (GSM-4, Revision II), as well as a separate supplement for breeding swine, will be mailed to breed associations, exporters, and farm organizations in early June.

USDA Announces Butter Export Sales Program

The U.S. Department of Agriculture has announced a limited export sales program for Commodity Credit Corporation-owned butter to become effective immediately. This action is taken on an exceptional basis to make U.S. butter available in the export market to compensate for the limited stocks in some of the major exporting countries.

At present, exports will be authorized for shipment only to Great Britain. Additional eligible destinations may be considered under a continuing review of individual supply-demand situations.

The program will be administered through the Minneapolis office of the Agricultural Stabilization and Conservation Service of the USDA.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

| Item | May 19 | Change from | | A year |
|----------------------------------|------------------|------------------|------------------|--------|
| | | Dol. per bu. | Cents per bu. | |
| Wheat: | | | | |
| Canadian No. 2 Manitoba .. | 1.89 | —1 | 2.00 | |
| USSR SKS-14 | 1.89 | —1 | (¹) | |
| Australian FAQ | 1.82 | 0 | 1.71 | |
| U.S. No. 2 Dark Northern Spring: | | | | |
| 14 percent | 1.87 | —6 | 1.92 | |
| 15 percent | 1.92 | —4 | 1.99 | |
| U.S. No. 2 Hard Winter: | | | | |
| 13.5 percent | 1.90 | 0 | 1.88 | |
| No. 3 Hard Amber Durum .. | 1.79 | —1 | 1.93 | |
| Argentine | (¹) | (¹) | 1.80 | |
| U.S. No. 2 Soft Red Winter.. | 1.77 | 0 | 1.71 | |
| Feedgrains: | | | | |
| U.S. No. 3 Yellow corn | 1.64 | +1 | 1.50 | |
| Argentine Plate corn | 1.69 | 0 | 1.57 | |
| U.S. No. 2 sorghum | 1.44 | +2 | 1.26 | |
| Argentine-Granifero sorghum | 1.44 | +2 | 1.24 | |
| U.S. No. 3 Feed barley | 1.19 | —2 | 1.04 | |
| Soybeans: | | | | |
| U.S. No. 2 Yellow | 3.30 | +1 | 3.14 | |
| EC import levies: | | | | |
| Wheat | 1.58 | —1 | 1.60 | |
| Corn ² | .86 | —2 | .87 | |
| Sorghum ² | 1.00 | 0 | 1.00 | |

¹ Not quoted. ² Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. Note: Basis—30- to 60-day delivery.

Fruits, Nuts, and Vegetables

1970 Japanese Hop Estimate Revised

Revised figures place Japan's 1970 hop harvest at 5.5 million pounds, 17 percent below earlier estimates.

Yields averaged 1,409 pounds per acre in 1970, compared with a 1964-68 average of 1,572 and 1,226 in 1969.

Imports continued to increase during 1970, for a total of 3.2 million pounds, compared with 2.9 million the previous year and only 1.3 million in 1968. In 1970, the U.S. share of the Japanese market was 17.5 percent (558,000 lb. valued at \$398,000), compared with 15 percent in 1969. West Germany and Czechoslovakia were Japan's leading suppliers in 1970, with 1.6 million and 701,000 pounds respectively.

London Prices of Fruits, Juices

Quotations represent selling prices of canned fruits and juices in London, c.i.f. basis:

| Type and quality | Size of can | Price per dozen units | | | Origin |
|----------------------|-------------------|-----------------------|-------------------|-------------------|-----------|
| | | April 1970 | Oct. 1970 | April 1971 | |
| CANNED FRUIT | | | | | |
| Apricot halves: | | | | | |
| Choice | 2½ | ¹ 3.54 | ² 3.54 | ² 3.82 | Australia |
| Do | 2½ | 3.30 | 3.30 | 3.39 | S. Africa |
| Not specified | 15 oz. | — | 1.26 | 1.32 | Spain |
| Fruit cocktail: | | | | | |
| Choice | 2½ | ¹ 3.99 | ² 3.99 | ² 4.24 | Australia |
| Fruit salad: | | | | | |
| Choice | 15 oz. | 1.98 | 1.98 | 2.04 | Spain |
| Peaches, clingstone: | | | | | |
| Choice | 2½ | ¹ 3.39 | ² 3.39 | ² 4.38 | |
| Do | 2½ | 3.18 | 3.18 | 3.39 | S. Africa |
| Pears: | | | | | |
| Choice | 2½ | ¹ 3.51 | ² 3.51 | ² 3.66 | Australia |
| Do | 2½ | 3.30 | 3.30 | 3.39 | S. Africa |
| Pineapple slices: | | | | | |
| Fancy | 16 oz. | 1.86 | 1.89 | 1.87 | S. Africa |
| Choice | 2½ | 3.60 | — | 3.74 | U.S. |
| Not specified | 16 oz. | 1.70 | 1.76 | 1.87 | Malaysia |

¹ Ex-store. ² Container price.

Netherlands Prices of Fruits, Juices

Quotations represent wholesale offering prices on a landed-weight basis, including the sugar-added levy but excluding the value-added tax.

| Type and quality | Size of can | Price per dozen units | | | Origin |
|----------------------------|---------------------|-----------------------|--------------|---------------|-----------|
| | | May 1970 | Dec. 1970 | March 1971 | |
| CANNED FRUIT | | | | | |
| Apricot halves: | | | | | |
| Heavy sirup | 2½ | — | 3.25 | 3.22 | Greece |
| Not specified | 500 gr. | 1.76 | 1.62 | 1.59 | Spain |
| Fruit cocktail: | | | | | |
| Choice | 2½ | 4.97 | 5.60 | 5.60 | U.S. |
| Do | 2½ | — | 5.14 | 5.14 | Australia |
| Do | 2½ | — | 4.74 | 4.74 | Italy |
| Peaches, clingstone: | | | | | |
| Fancy, heavy sirup .. | 2½ | — | 4.48 | 4.48 | France |
| Choice, heavy sirup .. | 2½ | — | 4.57 | 4.51 | U.S. |
| Do | 2½ | 4.24 | — | 4.48 | S. Africa |
| Standard, light sirup. | 2½ | — | 3.05 | 3.15 | Greece |
| Pears: | | | | | |
| Choice, heavy sirup .. | 2½ | — | 3.78 | 3.55 | Italy |
| Pineapple slices: | | | | | |
| Fancy, heavy sirup .. | 2½ | — | 4.94 | 4.94 | U.S. |
| Extra choice | 2½ | 3.99 | 4.18 | 4.04 | S. Africa |
| CANNED JUICES | | | | | |
| Orange, unsweetened .. | ¹ 32 oz. | 5.20 | 4.48 | 4.57 | U.S. |
| Do | ¹ 1 l. | — | 3.78 | 3.78 | Israel |
| Grapefruit, unsweetened .. | ¹ 1 l. | — | 3.88 | 3.88 | Israel |

¹ Packed in glass bottles.

Hamburg Prices of Fruits, Juices

Quotations represent importers' selling prices, including duty and sugar-added levy, but excluding the value-added tax. Sales are in lots of 50-100 cases.

| Type and quality | Size of can | Price per dozen units | | | Origin |
|----------------------------|-------------|-----------------------|--------------|--------------|----------------|
| | | April 1970 | Jan. 1970 | April 1971 | |
| CANNED FRUIT | | | | | |
| Apricot halves: | | U.S. dol. | U.S. dol. | U.S. dol. | |
| Choice | 2½ | 3.67 | 3.28 | 3.44 | Spain |
| Choice, light sirup .. | 2½ | 3.38 | 2.85 | 3.18 | Greece |
| Peaches, halves: | | | | | |
| Choice | 2½ | 4.17 | 4.48 | 4.48 | U.S. |
| Choice, light sirup .. | 2½ | — | 4.10 | 4.10 | S. Africa |
| Not specified | 2½ | 3.97 | — | 4.07 | Australia |
| Do | 2½ | — | 2.95 | 3.08 | Greece |
| Pears: | | | | | |
| Heavy sirup | 2½ | 4.00 | 3.87 | 3.77 | Italy |
| Not specified | 1 | — | 3.44 | 3.44 | Mainland China |
| Fruit cocktail: | | | | | |
| Choice | 2½ | — | 5.77 | 5.77 | U.S. |
| Do | 2½ | — | 5.11 | 5.11 | Australia |
| Heavy sirup | 2½ | 5.74 | 5.57 | 5.41 | U.S. |
| Not specified | 2½ | 4.46 | 4.72 | 4.72 | Italy |
| Cherries, red pitted: | | | | | |
| Fancy, water pack .. | 10 | 22.96 | 20.98 | 21.97 | U.S. |
| Not spec., water pack .. | 3 kg. | 22.80 | 17.21 | 17.21 | Italy |
| Do | 3 kg. | 21.58 | 16.89 | 15.90 | Netherlands |
| Pineapple, whole slices: | | | | | |
| Fancy | 2½ | 5.64 | 5.25 | 5.31 | U.S. |
| Choice | 2½ | — | 4.77 | 4.56 | U.S. |
| Do | 2½ | — | 4.30 | 4.20 | Phil. Rep. |
| Do | 30 oz. | 3.74 | 3.80 | 3.77 | Taiwan |
| Not specified | 2½ | 3.56 | 3.38 | 3.44 | S. Africa |
| CANNED JUICES | | | | | |
| Grapefruit, unsweetened .. | 1 l. | — | 3.70 | 3.70 | Israel |
| Do | 43 oz. | — | 3.93 | 3.93 | Greece |
| Orange, unsweetened .. | 1 l. | 3.48 | 3.57 | 3.57 | Israel |
| Do | 43 oz. | 3.35 | 3.25 | 3.25 | Greece |
| Do | 43 oz. | 3.15 | 3.67 | 3.61 | Italy |

¹ Packed in glass bottles.

Fats, Oilseed, and Oils

Argentina Raises Oilseed Support Prices

Argentina announced higher support prices for 1971-72-crop oilseeds on May 3, purportedly aimed at absorbing peso devaluations since mid-June 1970 and higher costs due to inflation.

New prices in new pesos per 100 kilograms, delivered rail, Buenos Aires, with last season's prices in parentheses, are as follows:

| | |
|------------------------|------------|
| Sunflowerseed | 27.90 (24) |
| Peanuts, shelled | 42.10 (36) |
| Soybeans | 43.0 (30) |

Also on May 3 the Argentine peso was devalued from 4.04 new pesos per US\$1 to 4.12 pesos per US\$1.

A Government resolution also has reduced the assessment values on oilseed products; that is, the values on which export duties are levied. They are as follows, in dollars per

metric ton with previous values in parentheses:

| | |
|------------------------|-----------|
| Peanut expellers | 91 (96) |
| Peanut pellets | 82 (90) |
| Peanut meal | 81 (89) |
| Sunflower oil | 349 (365) |
| Peanut oil | 390 (400) |

U.S. Edible Oils, March Exports

Soybean oil exports totaled 164.5 million pounds in March, slightly more than the 163.9 million exported in March 1970. October-March exports reached 777.3 million pounds, exceeding last year's total for the same period by 203.9 million.

U.S. EXPORTS OF EDIBLE OILS

| Item and country of destination | March | | October-March | |
|---------------------------------|-------------------|-------------------|----------------------|----------------------|
| | 1970 ¹ | 1971 ¹ | 1969-70 ¹ | 1970-71 ¹ |
| Soybean: ² | Mil. | Mil. | Mil. | Mil. |
| Yugoslavia | lb. | lb. | (³) | 154.4 |
| Pakistan | 63.0 | 35.2 | 192.7 | 142.6 |
| India | 35.6 | 41.2 | 62.6 | 74.8 |
| Morocco | 11.4 | 10.1 | 14.5 | 55.5 |
| Peru | 1.5 | 14.6 | 22.9 | 54.9 |
| Iran | 18.7 | 6.6 | 51.4 | 48.1 |
| Tunisia | 9.0 | 19.2 | 57.0 | 39.3 |
| Chile | 0 | (³) | 14.6 | 32.5 |
| Canada | 4.1 | 6.1 | 17.8 | 24.9 |
| Israel | 1.3 | 2.1 | 17.9 | 20.2 |
| Greece | 0 | 0 | 0 | 12.1 |
| Haiti | 2.3 | 1.5 | 10.0 | 11.9 |
| Panama | (³) | .1 | 5.0 | 11.7 |
| Colombia | 0 | .4 | 8.2 | 8.8 |
| Ecuador | 0 | .8 | 5.4 | 7.9 |
| Vietnam, South | 0 | (³) | 4.4 | 7.2 |
| Jamaica | 1.9 | 1.9 | 6.1 | 6.3 |
| Australia | 1.4 | 0 | 5.2 | 6.1 |
| United Kingdom | .4 | .2 | 8.4 | 4.9 |
| Dominican Rep. | 2.4 | .5 | 10.0 | 4.9 |
| Brazil | 1.0 | .1 | 6.3 | 4.6 |
| Mauritius | 2.2 | 4.4 | 8.8 | 4.6 |
| China, Taiwan | 0 | 0 | 0 | 4.4 |
| Turkey | .4 | .7 | 3.4 | 3.5 |
| Guinea | 0 | 0 | (³) | 3.2 |
| Others | 7.3 | 10.0 | 40.7 | 28.0 |
| Total ⁴ | 163.9 | 164.5 | 573.4 | 777.3 |

Cottonseed: ²

| | | | | |
|-----------------------------|-------|------------------|------------------|------------------|
| Belgium-Luxembourg | .3 | .7 | 5.6 | .7 |
| France | 0 | (³) | (³) | .1 |
| Germany | 6.4 | 14.4 | 13.3 | 29.6 |
| Italy | 0 | 0 | (³) | (³) |
| Netherlands | 0 | 4.0 | 26.5 | 9.4 |
| Total EC ⁴ | 6.7 | 19.1 | 45.4 | 39.8 |
| Venezuela | 0 | 3.8 | 35.5 | 30.3 |
| United Kingdom | 16.5 | 10.0 | 64.6 | 25.5 |
| U.A.R. | 11.0 | 0 | 38.2 | 21.6 |
| Poland | 2.9 | 0 | 2.9 | 17.3 |
| Canada | 3.8 | 2.6 | 14.9 | 16.0 |
| Sweden | 2.4 | 3.0 | 7.9 | 10.8 |
| Morocco | 2.2 | 0 | 7.7 | 8.8 |
| Mexico | 7.4 | (³) | 18.8 | 6.9 |
| Switzerland | 0 | 0 | 0 | 4.6 |
| Iran | 0 | 0 | 37.7 | 1.7 |
| Australia | 0 | (³) | .1 | 1.3 |
| Japan | 1.1 | 0 | 3.0 | 1.1 |
| Others | 2.2 | 1.8 | 32.2 | 3.9 |
| Total ⁴ | 56.2 | 40.3 | 308.9 | 189.6 |
| Total oils | 220.1 | 204.8 | 882.3 | 966.9 |

¹ Preliminary. ² Includes shipments under P.L. 480 as reported by Census. ³ Less than 50,000 lb. ⁴ Totals computed from unrounded data. Bureau of the Census.

Commercial sales, estimated at 432.1 million pounds, increased 149 percent from last year's sales of 173.7 million during October-March. Shipments under Public Law 480 programs totaled an estimated 346.4 million pounds, compared with 399.9 million exported through March a year ago.

Cottonseed oil exports in March, at 40.3 million pounds, declined 28 percent from the 56.2 million exported in March last year. October-March exports totaled only 189.6 million pounds—down 119.3 million from exports through March 1970. The only shipment under Title I of P.L. 480 so far this marketing year was the 8.8 million pounds taken by Morocco. An additional 1.2 million pounds were shipped as donations under Title II of P.L. 480. The remaining 179.6 million pounds represent commercial sales.

U.S. Oilcakes and Meals, March Exports

Soybean meal exports in March totaled 413,000 tons, an increase of 33 percent, or 102,500 tons, from exports in March 1970. October-March exports reached 2.23 million tons—up 189,000 from the 2.04 million through March 1970.

Exports to the European Community, at 1.49 million tons, represented over two-thirds of the total and an increase of 55,300 tons from October-March exports last year. Larger quantities shipped to Belgium-Luxembourg, France, and the Netherlands accounted for the increase. Heavier shipments to Yugoslavia, Czechoslovakia, and Bulgaria resulted in a gain of 104,600 tons from exports in October-March a year ago. Other countries receiving increased quantities of soybean meal this marketing year include the United Kingdom, Denmark,

U.S. EXPORTS OF CAKES AND MEALS

| Item and country of destination | March | | October-March | |
|----------------------------------|-------------------|-------------------|----------------------|----------------------|
| | 1970 ¹ | 1971 ¹ | 1969-70 ¹ | 1970-71 ¹ |
| Soybean: | 1,000 | 1,000 | 1,000 | 1,000 |
| short | short | short | short | short |
| tons | tons | tons | tons | tons |
| Belgium-Luxembourg | 10.7 | 19.1 | 111.6 | 168.2 |
| France | 37.8 | 53.6 | 306.7 | 362.4 |
| Germany, West | 79.3 | 79.4 | 542.5 | 483.7 |
| Italy | 27.4 | 11.2 | 172.1 | 150.3 |
| Netherlands | 53.9 | 83.7 | 300.1 | 323.7 |
| Total EC ² | 209.1 | 247.0 | 1,433.0 | 1,488.3 |
| Canada | 21.4 | 18.8 | 130.8 | 121.7 |
| Yugoslavia | 10.5 | 13.9 | 55.6 | 100.9 |
| Hungary | 10.6 | 30.0 | 66.6 | 65.4 |
| United Kingdom | 1.4 | 22.4 | 20.1 | 53.5 |
| Denmark | 1.6 | 18.5 | 29.0 | 45.0 |
| Czechoslovakia | 0 | 12.2 | 5.6 | 40.9 |
| Mexico | .2 | 1.1 | .7 | 39.9 |
| Switzerland | 16.3 | 11.6 | 43.5 | 34.8 |
| Poland | 13.5 | 4.0 | 66.2 | 33.9 |
| Bulgaria | 9.0 | 0 | 8.9 | 32.9 |
| Ireland | 2.7 | 6.5 | 30.8 | 30.5 |
| Philippines | 5.2 | 3.8 | 20.9 | 29.7 |
| Australia | 1.8 | 4.1 | 17.2 | 18.4 |
| Korea, Rep. | 0 | 3.3 | 4.5 | 14.8 |
| Lebanon | 0 | 0 | 7.6 | 14.1 |
| Vietnam, South | .1 | 5.6 | .1 | 11.4 |
| Portugal | 3.8 | 0 | 6.5 | 9.2 |
| Others | 3.3 | 10.2 | 93.6 | 44.9 |
| Total ² | 310.5 | 413.0 | 2,041.2 | 2,230.2 |
| Cottonseed | 1.2 | 5.6 | 4.0 | 19.8 |
| Linseed | 0 | .1 | 47.2 | 36.2 |
| Total cakes & meals ³ | 316.6 | 425.8 | 2,113.4 | 2,338.0 |

¹ Preliminary. ² Totals computed from unrounded data. ³ Includes peanut and small quantities of other cakes and meals. Bureau of the Census.

Mexico, South Korea, Lebanon, and South Vietnam.

Total cake and meal exports, at 2.34 million tons, increased 224,600 tons from October-March exports last year. Most of the increase was in exports of soybean meal, as well as larger exports of cottonseed and other cakes and meals.

U.S. Soybeans, March Exports

Soybean exports in March, at 35.1 million bushels, declined 10 percent from the 39.2 million shipped in March 1970. Despite this decline, soybean exports during September-March totaled 269 million bushels, an increase of 4 percent from the 258.9 million exported through March 1970. The increase went principally to Japan, West Germany, and France.

U.S. EXPORTS OF SOYBEANS

| Country of destination | March | | September-March | |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 1970 ¹ | 1971 ¹ | 1969-70 ¹ | 1970-71 ¹ |
| | Mil. bu. | Mil. bu. | Mil. bu. | Mil. bu. |
| Belgium-Luxembourg | 1.7 | 1.9 | 13.0 | 10.9 |
| France | (²) | .7 | 1.8 | 7.4 |
| Germany, West | 4.7 | 4.4 | 25.1 | 31.1 |
| Italy | 2.3 | 3.6 | 18.9 | 17.7 |
| Netherlands | 6.9 | 5.8 | 38.9 | 35.4 |
| Total EC ³ | 15.6 | 16.4 | 97.7 | 102.5 |
| Japan | 8.0 | 6.2 | 56.8 | 63.3 |
| Spain | 6.8 | 5.5 | 24.7 | 25.0 |
| Canada | .1 | .2 | 27.3 | 23.5 |
| Denmark | 2.9 | 2.1 | 12.6 | 13.4 |
| China, Taiwan | 1.8 | 1.1 | 12.8 | 12.1 |
| Israel | .5 | 0 | 7.2 | 6.4 |
| United Kingdom | .8 | .6 | 6.7 | 4.8 |
| Norway | .5 | .8 | 2.9 | 4.4 |
| Poland | .8 | .5 | 4.4 | 2.3 |
| Venezuela | .6 | 0 | 1.4 | 1.8 |
| Mexico | .4 | .2 | .7 | 1.8 |
| Korea, Rep. | 0 | 0 | .5 | 1.2 |
| Hungary | 0 | 0 | .4 | 1.2 |
| Yugoslavia | 0 | 1.1 | 0 | 1.1 |
| Singapore | .2 | 0 | .6 | 1.0 |
| Others | .2 | .4 | 2.2 | 3.2 |
| Total ³ | 39.2 | 35.1 | 258.9 | 269.0 |
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. |
| Oil equivalent | 430.3 | 385.9 | 2,843.1 | 2,954.1 |
| | 1,000 short tons | 1,000 short tons | 1,000 short tons | 1,000 short tons |
| Meal equivalent | 920.9 | 826.0 | 6,084.9 | 6,322.6 |

¹ Preliminary. ² Less than 50,000 tons. ³ Totals computed from unrounded data. Bureau of the Census.

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Foreign Agriculture

Tight World Cotton Supplies

(Continued from page 3)

700,000 from last year. Foreign demand would, in all likelihood, support a higher level of U.S. exports, perhaps as much as 5 million bales; but U.S. supplies are not adequate to take full advantage of the opportunity. Further complicating the situation is the fact that U.S. supplies of the lower grades and shorter staples, which usually account for over half of U.S. exports, are particularly tight.

Prices. Starting in January this year, when it became obvious that world supplies of raw cotton were below earlier expectations and below the anticipated level of consumption, world cotton prices moved upward rapidly. As of April 15, the Liverpool c.i.f. Index for Strict Middling 1-1/16-inch cotton stood at 31.4 cents per pound, an increase of about 3 cents from the level of a year ago and of about 2.5 cents from the beginning of the current marketing year.

Experience indicates that cotton is not competitive with manmade fibers when the Index is over 30 cents. Furthermore, prices for U.S. cotton have advanced more in recent months than those for most foreign growths. Through December, U.S. SM 1-1/16-inch cotton was quoted in Liverpool at prices lower than those for cottons of most other origins; but as of April 15, it was almost a cent higher than its main competitors.

Outlook for 1971-72. Continued tight supplies and relative strong prices can be expected in the coming marketing year. Based on the March 1 report of planting intentions, U.S. production is likely to be up only marginally at best. Moreover, Texas and Oklahoma, where a large part of U.S. export cotton is grown, experienced drought conditions during the winter and early spring months.

FFW exporting countries are expected to increase production by 1.5 million to 2 million bales in response to favorable prices in 1970-71, but rebuilding of stocks and further increases in consumption in these countries are expected to absorb a major part of the larger crop. It is unlikely that the USSR will again be fortunate enough to have weather conditions like those that produced the record crop of 1970-71.

Continued imbalance in world cotton supply and demand will erode confidence in cotton's ability to provide the fiber needed by the world's textile industry on a regular, sustained basis. The situation is particularly crucial for U.S. cotton.

During the current year, U.S. cotton has had some success

in regaining a larger share of the European market as supplies in other producing countries have dwindled. It will be a pity if this opportunity is lost through inadequate supplies.

WORLD COTTON SUPPLY AND DISTRIBUTION

| Item and area | Average 1964-68 | 1969-70 ¹ | 1970-71 ² |
|---|-------------------------------|-------------------------------|-------------------------------|
| | Million bales ³ | Million bales ³ | Million bales ³ |
| Beginning stocks: | | | |
| United States | 12.5 | 6.5 | 5.8 |
| Foreign Free World: | | | |
| Exporters | 4.6 | 7.1 | 7.0 |
| Importers ⁴ | 6.5 | 6.4 | 6.1 |
| Communist countries | 2.9 | 2.7 | 2.7 |
| Foreign total ... | 14.0 | 16.2 | 15.8 |
| World total | 26.5 | 22.7 | 21.6 |
| Production: | | | |
| United States ⁵ | 11.6 | 10.0 | 10.3 |
| Foreign Free World | 23.9 | 25.9 | 23.4 |
| Communist countries | 15.7 | 15.8 | 17.8 |
| Foreign total ... | 39.6 | 41.7 | 41.2 |
| World total | 51.2 | 51.7 | 51.5 |
| Consumption: | | | |
| United States | 9.1 | 8.0 | 8.0 |
| Foreign Free World: | | | |
| Exporters | 6.7 | 8.1 | 8.4 |
| Importers | 18.7 | 19.1 | 18.9 |
| Communist countries | 17.2 | 18.0 | 18.3 |
| Foreign total ... | 42.6 | 45.2 | 45.6 |
| World total | 51.7 | 53.2 | 53.6 |
| Exports: | | | |
| United States | 3.7 | 2.8 | 3.5 |
| Foreign Free World ⁶ | 11.0 | 12.4 | 11.5 |
| Communist countries | 2.3 | 2.0 | 2.4 |
| Foreign total | 13.3 | 14.4 | 13.9 |
| World total | 17.0 | 17.2 | 17.4 |
| Exports, net, FFW to Communist | 1.5 | 2.2 | 1.2 |

¹ Preliminary. ² Estimated. ³ Bales of 480 lb. net weight.

⁴ Includes estimated cotton afloat, in transit, and in free ports. ⁵ In-season ginnings plus city crop. ⁶ Includes small quantities reexported.